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1985

FLORIDA

Lodging INDUSTRY

Laventhol & Horwath
Certified Public Accountants

1985 Edition

10TH ANNUAL REPORT ON HOTEL OPERATIONS

FLORIDA LODGING INDUSTRY

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COMMENTS FROM AROUND THE STATE

From Daytona Beach

Daytona Beach continued to be a favorite vacation area for families and college students during 1984, despite increasing competition from emerging vacation destinations along both coasts. The strength of this demand, along with the fact that no hotels have been built in Daytona Beach for 10 years, has kept market area occupancies at relatively strong and stable levels.

For hotels located along Daytona Beach, the market area occupancy in 1984 was approximately 66 percent, a decrease of slightly more than 1 percent compared with 1983. The average room rate for these same hotels during 1984 was approximately $46.25, an increase of nearly 9 percent compared with the rate achieved during 1983. As of May 1985, the same trends in occupancy and average room rate continued, with year-to-date occupancy at approximately 71 percent, exactly the same as for the same period in 1984. The average room rate during this period in 1985 is approximately $52.50, a 6 percent increase compared with the same year-to-date figure in 1984.

New developments in the Daytona Beach area include:

- The Ocean Center Convention/Civic Center scheduled to open in October 1985. This multipurpose facility will contain approximately 62,000 square feet of exhibition floor space as well as separate meeting and conference facilities and a full-service kitchen for banquets and food and beverage service. The Ocean Center should attract a variety of groups and visitors to the area for conventions, trade shows and entertainment events. In addition to the Ocean Center complex, a 250- to 400-room headquarters hotel has been proposed for a beachfront site located directly across from the complex on Highway A1A. If developed, it would be the first beachfront hotel built in Daytona Beach since the Daytona Hilton opened in 1975.
- The new 122-room Hampton Inn, located along U.S. Highway 92 near the Daytona Speedway. This limited-service/economy hotel opened in June 1985.

Tom Huegel
Chuck Ross
Tampa

From Gainesville

Gainesville has traditionally been comprised of two primary lodging market sectors: U.S. Highway 441/Downtown and Interstate 75/west Gainesville. During 1984, the estimated average area occupancy and average room rate were approximately 70 percent and $35, respectively. This represents an approximate 1 percent decrease in occupancy and an increase in average room rate of approximately 3 percent compared with 1983.

The majority of room night demand in the U.S. Highway 441/Downtown market sector is generated by the University of Florida, Shands Teaching Hospital and the Veteran's Administration Hospital, as well as general commercial room night demand. Transient tourists and commercial travelers generate the majority of room night demand for hotels located along Interstate 75 in west Gainesville.

The University Centre Hotel, a 187-room, first-class property located adjacent to the Veteran's Administration Hospital along Archer Road, opened in October 1984. Additional hotel projects proposed for the Gainesville area during 1986-1987 include:

- A 200-room full-service Sheraton to be located along Archer Road at Southwest 23rd Terrace.
- A 207-room Cabot Lodge, a limited-service/economy hotel to be located at the Interstate 75/Archer Road interchange.
- A 160-room moderately priced all-suite hotel to be located at the Interstate 75/Archer Road interchange.

Additions to the lodging supply have been absorbed during the past two years, and this trend is expected to continue, signifying steady growth in population and continued increases in university and medical-related activities in Gainesville.

Alan S. Karrh
Chuck Ross
Tampa

From Jacksonville

The greater Jacksonville hospitality industry experienced continued strength and growth during 1984. Many new hotel rooms are planned or under construction in the Jacksonville area. The most significant growth area and the area experiencing most of the increase in available hotel rooms is the Baymeadows/Southpoint section of Southeast Jacksonville. During 1984, Jacksonville experienced more than $41.3 million in new commercial construction. The southeastern section of the city had 79 percent of the total building permits issued in the city.

The greater Jacksonville lodging industry currently consists of five district market sectors: the beaches, airport/north Jacksonville, Orange Park, the central business district/southeast Jacksonville and Interstate 10 (I-10)/west Jacksonville.

Hotel room night demand in the Orange Park, I-10/west Jacksonville and beach sectors remained relatively stable with minimal hotel room additions. Hotels in the airport/north Jacksonville sector experienced modest growth in room night demand, and currently the Holiday Inn Airport is adding 100 guest rooms.

In the central business district/southeast market sector, the most active sector for new development is the Baymeadows/Southpoint area. Recent hotel projects include:

- 350-room Omni Hotel in the downtown area. Completion is scheduled for 1987.
- 256-room Marriott Hotel near Southpoint, at the intersection of I-95 and J.

Turner Butler Boulevard. Completion is scheduled for 1987.

- 250-room Holiday Inn Baymeadows located at Baymeadows Road and I-95. Opened in February 1984.
- 112-room Best Inn, which opened during early 1985. This property is located near Baymeadows Road west of I-95.
- 124-room Skylight Inn under construction at I-95 and Baymeadows Road.
- 210-unit Park Suite Hotel under construction and ready to open east of the Holiday Inn Baymeadows on Baymeadows Road.
- 156-room Ramada Inn Conference Center, which opened during 1984 in Mandarin at I-295 and State Road 13.

As these additions are completed, the central business district and the Southpoint/Baymeadows area will probably become separate and distinct market sectors. Currently, the two areas operate at capacity during peak business days and refer room nights back and forth.

Chris Burr
Chuck Ross
Tampa

From Melbourne

The greater Melbourne lodging market experienced a healthy occupancy level of approximately 75 percent with a $40 average area room rate. Currently there are approximately 1,100 available hotel rooms with another 800 to 1,000 rooms proposed. The additions to supply include:

Property	Approximate Number of Rooms
Hilton Inn—Beach	120
Hilton Inn—Airport	230
Residence Inn	80
Marriott Courtyard	150
Economy Hotels	300
Holiday Inn—Palm Bay	150

This increase in rooms is targeted primarily at the commercial traveler, with some marketing toward convention business by the larger hotel properties. Continued moderate growth in lodging demand should occur as a result of increased promotion of the area by the new properties and further expansion by existing commercial establishments.

The outlook for further lodging development in addition to that outlined above is one of caution. New markets such as convention business and tourist traffic are the key to absorbing new properties. Competition for the tourist, commercial and group markets is severe throughout the greater Melbourne area and is likely to intensify as room supply expands.

Kay Seminario
Chuck Ross
Tampa

From Ocala

Lodging facilities in the Ocala area are concentrated in three market sectors: Interstate 75, central Ocala/downtown and Silver Springs. The majority of room night demand in the Ocala area is captured by the Interstate 75 properties that cater to commercial travelers and transient tourists. The market area occupancy in 1984 was estimated to be 73 percent, and the average room rate was estimated to be $27. This represents a 10 percent increase in occupancy and a slight increase in average room rate compared with 1983. These increases are primarily due to the numerous commercial developments occurring along Interstate 75 and State Road 200.

Historically, Ocala hotels have accommodated significant overflow tourist room night demand generated by Walt Disney World/Epcot and other Orlando tourist attractions. Overflow room night demand has decreased in the past year due to recent room additions in the Orlando area. "Major event" weekends, such as horse sales and shows and University of Florida football games, are a significant source of destination tourist room night demand. The majority of tourists are accommodated during the peak-season months from mid-January through the end of April. Commercial room night demand should continue to increase at greater than historic levels due to increased commercial activity, particularly in the rapidly developing State Road 200 corridor.

As of September 1984, proposed new hotel developments include:

- A 150-room Hilton Inn, projected to open by late 1986 at the Interstate 75/State Road 200 interchange. A 100-room addition to this hotel is planned for the future.
- A 140-unit upscale all-suite hotel, proposed for a development near Paddock Mall in the State Road 200 corridor.
- A 320-room upscale resort hotel, proposed as a component of the Golden Ocala development, which is planned along U.S. Highway 27 three miles west of Ocala.

Several other hotel projects are under consideration or planned for the Ocala area; however, their status is uncertain.

Kathy Phillips
Chuck Ross
Tampa

From Orlando

The greater Orlando market area continues to be the fastest growing, most dynamic market area in the state of Florida. During 1984 and the first three months of 1985, over 9,400 new hotel rooms were added to the 1983 base of approximately 40,000 available rooms. Total hotel rooms supply has grown by almost 46 percent during the period January 1983 through March 1985. An additional 10,000 to 11,000 rooms are either under construction or planned to open by 1987. The tremendous growth is in response to increased tourist, convention and commercial activity spawned by such developments as Walt Disney World's EPCOT Center, the Orange County Convention/Civic Center and major commercial/corporate development in the greater Orlando area.

The logical question is: How has hotel room night demand reacted to this substantial growth in hotel room supply? The greater Orlando area's 1984 occupancy level was approximately 69 percent, which represented an 11 percent decrease compared with 1983. However, during the same period, room night demand increased approximately 6 percent. The average room rate in 1984 was $47.85, a 7 percent increase compared with 1983. Year-to-date occupancy for the first four months of 1985 was 74.5 percent compared with 77.4 percent for the same period in 1984, a 3.7 percent decrease. Again, this is primarily due to the massive increase in the supply of rooms (approximately 4,000 during the first four months of 1985). The average room rate through April 1985 was $54.20, representing a 0.7 percent decrease compared with 1984. The 1985 year-to-date decrease in average room rates resulted from a combination of supply additions in the economy and moderate-price categories and some minor pricing discounts.

New hotel development is expected to outpace growth in room night demand over the next two to three years. This development is concentrated in the following areas and includes:

- *Altamonte Springs/Lee Road.* Recent hotel developments include the 400-room Sheraton-Maitland Center (February 1985), a 325-room Hilton near the Altamonte Springs Mall (fall 1985), a 206-unit Park Suite Hotel (open in 1985) and a 128-unit Residence Inn (early 1985).
- *Orlando Central Business District.* A 350-room Radisson Hotel opened June 1985, and the 267-room Omni-Centroplex is projected to open by January 1986.
- *Florida Center/International Drive.* Plans for Plaza International (the development surrounding the convention center) include 5,000 to 8,000 hotel rooms to be built by 1990. Approximately 3,500 rooms are either currently under construction or planned to open in this market sector by early 1987. New hotels in this sector include the 895-room Hotel Plaza International (mid-1986), the 300-room Radisson-Justus Aquatic Hotel (January 1985), the 780-room Wyndham Hotel at Sea World (January 1985) and the 245-room Park Suite Hotel (September 1985).
- *Lake Buena Vista area.* Over 4,000 new rooms are expected to open by 1987, including the 1,503-room Marriott World Center, the 1,528-room Sheraton Convention Hotel, a 760-room Crowne Plaza and several additions to Walt Disney World lodging properties. The new Marriott and Sheraton combined will offer more than 250,000 square feet of meeting/exhibit space within the two largest hotels in Florida.
- *U.S. Highway 192/Kissimmee area.* Over 3,400 rooms have been recently opened or are currently under construction in this tourist-oriented market sector. In addition to more than 650 rooms, included in projects with less than 100 rooms each, some of the recent major additions include the 578-room Radisson Hotel (August 1984), the 443-room Wilson World Hotel (September 1984) and the 214-room TraveLodge East, which is currently adding 233 rooms (September 1985).
- *Airport/South Orange Blossom Trail area.* In addition to the 500-room Lee Vista Marriott and the 291-room Holiday Inn-Lee Vista, which both opened early 1984, several other additions are planned or under construction in this tourist/commercial market sector. A 500-room Crowne Plaza is under construction as part of the 1.4 million-square-foot Florida Mall project (mid-1986), and a 294-suite Park Suite Hotel is planned (mid-1986).

Overall, the Orlando lodging industry appears to be headed for two to three years of declining occupancy levels due to the substantial increase in available hotel rooms. For the years 1985 through 1987, market area occupancies are expected to range from the high-50s to the mid-60s percentiles. Nevertheless, demand for this additional supply of hotel rooms is expected to continue increasing at a strong pace with absorption of new supply expected by 1988-1989. The issue of overbuilding in the Orlando lodging industry is one that must be addressed by project type, specific market sector and specific site location. Many markets are considered healthy even though area-wide occupancy is less than 70 percent.

R. Gary Renfrow
Chuck Ross
Tampa

From the Panhandle

The cities of Destin and Ft. Walton Beach, located along Florida's Panhandle in an area now commonly referred to as the "Emerald Coast," is emerging as one of the state's leading growth markets in terms of development and lodging demand. The character of the lodging industry is changing rapidly in this area with the development of investment condominiums. During 1984, the inventory of condominium units in this area increased approximately 65 percent from 2,800 units to over 4,600, with more than 2,500 additional units anticipated by 1987. The majority of these existing and proposed projects are designed as secondary residences with the individual units to be included in a rental program, thus increasing the local supply of available rental units.

The influx of condominium rental units has had an impact on the area's hotel industry. Area occupancy for hotels in 1984 was approximately 55 percent, a 3.5 percent decrease compared with 1983. Considering that several new hotels have opened, the local hotel industry appears to be maintaining its share of the lodging demand against competition from condominium rentals in this market. Although the increase in condominium rentals has had only a minor impact on hotel occupancies, it has tended to stifle increases in average room rates over the last several years. The average room rate remained relatively stable in 1984 compared with 1983's average rate of approximately $59. This marks the second year in a row in which the average room rate remained constant with the previous year's. The primary reason for this is that hotels are reducing rental rates to compete with rental condominiums. The effect has been a pricing level for condominium rentals slightly above those charged by hotels and, as a result, market area hotels have had to forego rate increases to remain competitive with the emerging condominium rental market.

There has been some hotel development in the Destin/Ft. Walton Beach area during 1984. The Sandestin Beach Resort added two separate hotel products with the 175-room Bayside Hotel, which opened in October 1984 and the 400-room all-suite Sandestin Beach Hilton, which opened in January 1985. The Holiday Inn—Ft. Walton Beach recently completed a major renovation and expansion, which included approximately 125 additional guest rooms. In addition, two economy hotels with approximately 195 guest rooms were completed within the last year.

Tom Huegel
Chuck Ross
Tampa

From Sarasota/Bradenton

The Sarasota/Bradenton market area is comprised of two distinct sectors: full-service and beachfront hotels located primarily on Lido Key and Longboat Key in Sarasota, and hotels and motels located along U.S. Highway 41 (U.S. 41), which connects the two cities of Sarasota and Bradenton. In 1984, the average area occupancy and average room rate for both market sectors were estimated at approximately 61.1 percent and $63.99, respectively. This represents a decrease of 1.1 percent in occupancy and a 6.8 percent increase in average room rate compared with 1983. Hotels in the full-service beach market sector achieved an average occupancy of 64.5 percent, an increase of 3 percent compared with 1983. The average room rate was $78.19, which represents a

4.6 percent increase. Conversely, hotels located along U.S. 41 reported an occupancy of 56 percent, representing a decrease of 7.7 percent, and an average room rate of $38.84, which is an increase of 5.5 percent compared with 1983.

Lodging properties in the beach market sector continue to achieve the strongest occupancies and average room rates due to the beachfront location and quality of facilities oriented toward the vacation traveler. During year-to-date (May) 1985, hotels in both beach and highway market sectors have reported a combined market area occupancy of approximately 72 percent, an increase of almost 1 percent compared with the same period last year. The average room rate for all hotels during year-to-date 1985 is approximately the same as last year's rate for this period.

There have been several additions to supply in the Sarasota/Bradenton area, including the 153-room Holiday Inn Bradenton Riverfront, which opened in December 1984 and is already expecting to build an additional 47 rooms beginning in fall 1985. Also, a 135-room Days Inn, located along U.S. 41 in Bradenton, opened in July 1984. Currently under construction is the new 250-room Radisson Hotel, which will be included in the new Barnett Bank Plaza in downtown Sarasota. Several other major hotel additions have been proposed in the area, including a 300-room resort hotel at the southern end of Lido Key.

Tom Huegel
Chuck Ross
Tampa

From Tallahassee

In 1984, the area occupancy was estimated at 71 percent, and the average room rate was approximately $35. This represents an increase in occupied room nights of 15 percent and an increase in average room rate of approximately 5 percent compared with 1983.

The greater Tallahassee lodging industry comprises four sectors: Interstate 10/U.S. Highway 27, downtown central business district, U.S. Highway 27 East (Apalachee Parkway) and U.S. Highway 90 (West Tennessee Street). The Tallahassee market has experienced significant overall growth in the number of hotel rooms from 1983 levels.

Lodging properties located near Interstate 10 along U.S. 27, which rely on both commercial and tourist-related room night demand, continued to achieve the strongest occupancies. As a result, several previously announced projects are now under construction, and additional new hotel projects have been proposed for this sector. Additions and proposed projects include:

- A 130-room Holiday Inn, opened July 1984 at the northwestern quadrant of I-10/U.S. 27. A 50-room addition opened in April 1985.
- A 60-room limited-service economy hotel, the Seminole Inn, completed August 1984, is the first lodging property at the I-10/U.S. 90 interchange.
- A 120-room Cabot Lodge, the first property in a new chain of limited-service economy hotels. Located on U.S. 27 near I-10, it was completed October 1984.
- A 116-room Executive Inn near the Tallahassee Mall, completed a "phased" opening November 1984.
- A 52-room American Inn economy hotel on U.S. 27 near I-10 just south of Lake Shore Drive, opened January 1985.
- A 109-room Red Roof Inn, located at the southwestern quadrant of I-10/U.S. 27, opened March 1985.
- A 124-room Las Casas Motor Inn, under construction on U.S. 27 near I-10 across from Day's Inn—North and expected to open summer 1985.
- A 200-room Ramada Inn, under construction at the southwestern quadrant of I-10/U.S. 27, south of the Red Roof Inn. The expected opening date is the latter part of 1985.
- A 75-room Best Inn, currently under construction for the I-10/U.S. 27 interchange. Completion is expected by October 1985.
- A 123-room Knight's Inn proposed for the I-10/U.S. 27 interchange. Completion is expected by December 1985.

The U.S. Highway 27 East (Apalachee Parkway) and U.S. Highway 90 (West Tennessee Street) sectors have seen little recent hotel development activity. A 64-unit Residence Inn is proposed by 1986 for a site just east of the State Capitol building on East U.S. 27.

There are several rumored hotel projects planned for the downtown central business district sector, all approximately 300 rooms in size and oriented toward the group meetings market. At this point in time, the status of these projects is uncertain. However, due to the present lack of a headquarters hotel near the Tallahassee/Leon County Civic Center, it is conceivable that a future convention/group meetings oriented hotel will be added to this sector in the foreseeable future.

Jane E. Morgan
Chuck Ross
Tampa

From Tampa/St. Petersburg

The greater Tampa Bay hospitality industry exhibited continued strength and stability in 1984. The annual occupancy rate for Tampa Bay area hotels was 63.7 percent compared with 61.2 percent in 1983. The 1984 average room rate for the Tampa Bay area was $46.40 compared with $44.25 for 1983, a 4.8 percent increase.

The gains in occupancy and average room rate are especially significant since, despite weak performances in early 1984 due to record cold temperatures, they have surpassed 1983's performance. The effect of winter weather on the area's lodging industry was partially offset by Tampa's hosting of Super Bowl XVIII in January 1984 and the USFL Championship game in July 1984, as well as Tampa Bay's continued growth in commercial room night demand.

The hotels opening in the Tampa Bay area during 1984 added more than 1,100 new rooms. Hotel developers have several more projects under construction or planned throughout the area as a result of the historically strong tourist demand and the current and projected room night demand from the area's rapidly growing commercial and industrial base.

In Pinellas County, the most active sector for new development is the mid-Pinellas County market area. Recent hotel projects include:

- 178-room Holiday Inn, located near the Showboat Dinner Theater on Ulmerton Road and opened in May 1985.
- 123-room Comfort Inn, is located across Ulmerton Road from the Holiday Inn and opened during summer 1985.
- 125-room Days Inn, expected to open on Ulmerton Road by early 1986.
- 118-room La Quinta Motor Inn, planned for the northwest quadrant of U.S. 19 South and Park Boulevard. Completion is scheduled for spring 1986.

The most active sector for new development in Tampa is the Airport/Westshore area. Current projects include:

- 176-unit all-suite Residence Inn under construction on Rocky Pointe. Projected opening is January 1986.
- 203-unit all-suite Pickett Hotel also under construction on Rocky Pointe. Projected opening is April 1986.
- 133-room Hampton Inn Hotel planned for site on Laurel Street, just off Westshore Boulevard. Opening is scheduled for early 1986.
- 256-unit Embassy Suites Hotel, under construction near the Holiday Inn—Airport, with completion scheduled for spring 1986.
- 446-room Hyatt Regency, planned for the Bayport Plaza office complex along the shore of Old Tampa Bay, just west of the Tampa International Airport. Completion is projected for 1987.

In downtown Tampa, the 300-room Harbour Island Hotel was recently completed and opened in July 1985. This commercial hotel is part of Phase I of the $150 million Harbour Island development project, which includes 110,000 square feet of specialty retail space and approximately 200,000 square feet of office space. The 177-acre island, south of downtown Tampa, is one of the largest undeveloped tracts of land near a major metropolitan area in the United States. Future plans call for additional office and retail space, condominiums and residential housing. A $262 million convention center complex is planned for development on the southern end of downtown Tampa, across the channel from the Harbour Island development. It is to include a 600-room headquarters hotel and 290,000 square feet of meeting space in Phase I of the convention center. Completion is scheduled for 1988 or 1989.

The completion of Interstate 75 through East Tampa by mid-1986 is expected to stimulate numerous new commercial and industrial developments, including new hotel developments. Currently, a 265-room Holiday Inn is planned for location within the Sabal Center Industrial Park and is scheduled for completion during 1987. Approximately four economy properties, with a total of 452 rooms, are planned or under construction in proximity to the new Interstate 75 interchanges in East Tampa.

Year-to-date occupancy and average room rate statistics through May 1985 reflect the strength of the Tampa Bay area's lodging market. Even with approximately 1,100 new hotel rooms added to the existing supply during 1984, year-to-date occupancy was 75 percent, which is close to the occupancy rate for the same period in 1984. The average room rate through May 1985 was $52.50, showing little change from the same period in 1984. These hotel performance levels are significant, reflecting the Tampa Bay area's continued economic stability and growth.

Kathy Phillips
Chuck Ross
Tampa

THE FLORIDA LODGING INDUSTRY—1984

by Jamie B. Mandell and Mark A. Orlinsky
Research and Development Division

Introduction

This tenth edition of *Florida Lodging Industry* provides a picture of operating characteristics of Florida lodging establishments for fiscal year 1984, and will be useful in analyzing trends in revenue and expenses over successive time periods. This information can also serve as a guide for comparing individual property results based on responses from hotels with similar characteristics, such as size and location.

The information in this report represents 81 properties in Florida which completed the questionnaire for the 1985 edition of *U.S. Lodging Industry*. These properties represent more than 27,000 hotel rooms and, for 1984, generated approximately $760 million in total revenue, approximately $430 million of which came from room sales. The various charts provide data for the total sample as well as by selected breakdowns, such as the size of hotel and location (center city, highway).

This year, comparisions have been made between the Florida lodging industry and the U.S. industry as a whole for certain exhibits. These comparisions should provide additional insight in the Florida market.

Bases of statistics

The statistics presented in this report have been computed on the most common bases used to analyze operating results of lodging establishments: ratio to total sales, ratio to room sales and annual amounts per room. Readers not familiar with L&H industry studies are advised to read the "Bases and Significance of Lodging Statistics" section on page 25 of this report for an explanation of relevant terms.

In most cases, the figures in this report are medians; some charts also provide the lower and upper quartile figures. A median is the middle value of all responses that have been arranged sequentially. Medians do not necessarily add to the totals shown. Each line item has been analyzed separately, and the medians are based on the information submitted for that item only, since all establishments did not report data for each line. For further explanation of medians, refer to the article "Understanding Medians" on page 26. Only Charts 1 and 2 use weighted averages, which represent absolute values rather than the relative position in the results of the sample.

The figures in this report are intended to be used as guidelines, not standards or goals. They are not an attempt by L&H to set or conform prices or operating ratios for the industry.

1985 year-to-date

Chart 1 presents year-to-date operating results as of June 30, 1985 and compares them to the first six months of 1984. The first half of 1984 showed increased occupancy rates for the South Florida, Daytona Beach and Sarasota/Bradenton areas, while occupanies for the other areas surveyed declined. These figures are taken from L&H's monthly *Trend of Business in the Lodging Industry* for Greater Orlando, Daytona Beach, Tampa Bay, South Florida and Sarasota/Bradenton. These five reports, as well as approximately 25 others, are produced by the Research and Development Division of L&H in conjunction with our offices throughout the country. To obtain any of them, contact the L&H office nearest you or the Research and Development Division in Philadelphia, Pennsylvania.

The Florida lodging industry dollar

The source and distribution of the Florida lodging dollar is presented in Chart 2. Room sales accounted for approximately 57.1 cents of the revenue dollar, which is about 1.9 percentage points higher than the 1983 room revenue figure. Both food and beverage revenue decreased in 1984 compared with the fiscal year 1983.

On the distribution side of the dollar, payroll and related expenses continue to consume a large portion of the dollar: 27.9 cents for 1984. The majority of the expenses have declined slightly from 1983, which led to an increase in net income before income taxes to 7.2 percent, compared with the 1983 level of only 2.6 percent.

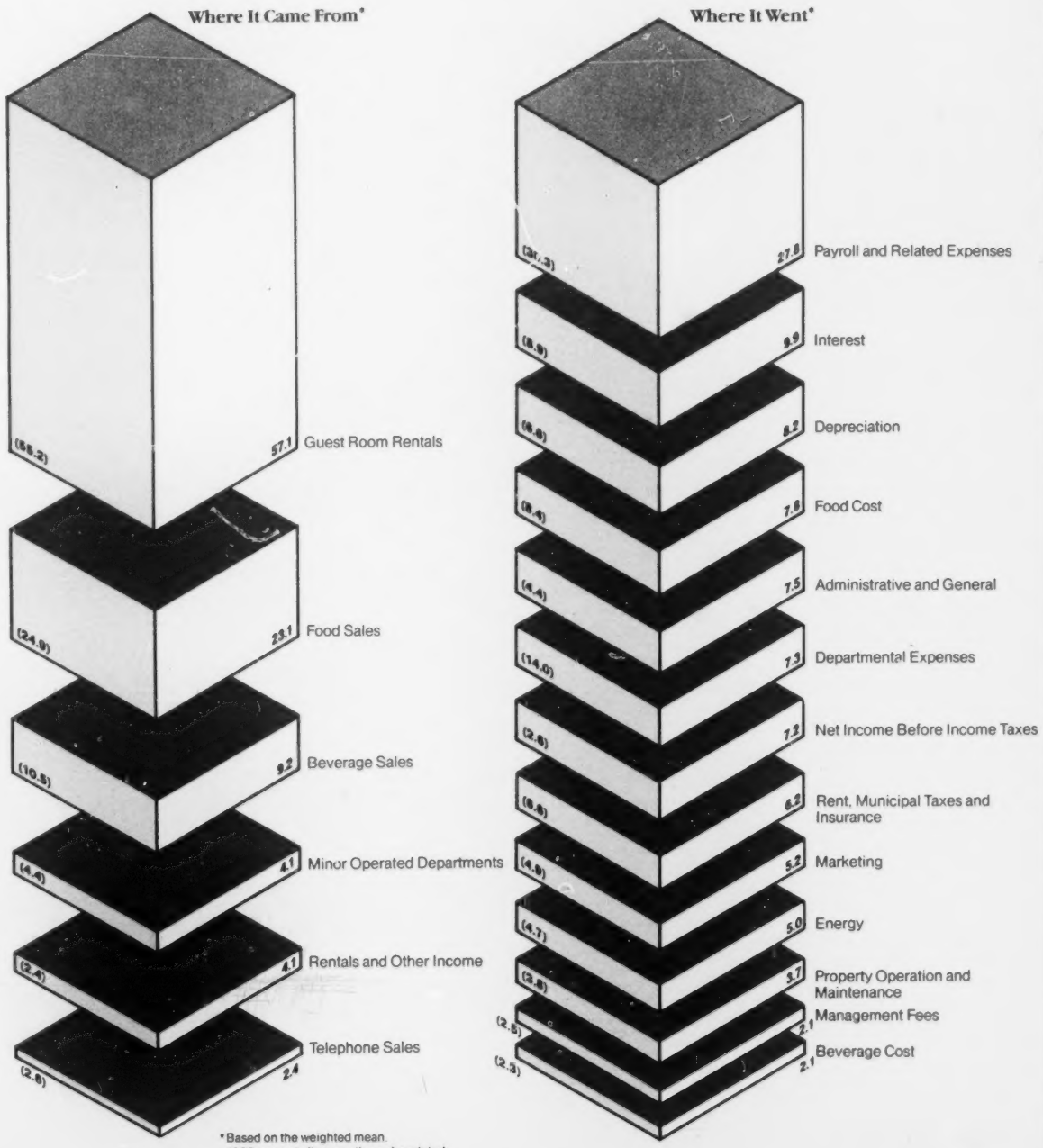
Chart 1
Florida Year-to-Date Trend Report (as of June 1985)

	Room Sales Per Occupied Room		Room Sales Per Guest		Occupancy Rate		Double Occupancy Percent	
	1984	1983	1984	1983	1984	1983	1984	1983
Greater Orlando	$ 53.28	$ 54.50	$25.41	$25.51	73.6%	76.5%	124.5%	125.9%
Circus World	$ 32.58	$ 34.39	$12.02	$14.29	70.2%	73.5%	150.3%	141.5%
U.S. Highway 192	50.28	53.71	19.19	21.39	74.3	79.7	168.1	156.7
Kissimmee	41.53	48.23	16.11	16.60	76.9	74.7	137.1	166.0
Exit 65	30.00	32.82	14.41	16.31	64.6	66.6	113.5	111.5
Lake Buena Vista	92.56	91.22	37.90	40.02	83.3	84.0	159.3	142.0
Florida Center/ International Drive	48.86	50.75	23.74	23.15	72.3	73.6	106.6	117.7
Airport/South Orange Blossom Trail	48.56	45.46	36.06	21.80	74.6	75.0	51.5	129.8
Orlando Central Business District	44.79	42.35	30.61	27.09	67.9	75.0	44.3	55.3
Altamonte Springs/ Lee Road	43.01	42.54	30.99	30.24	67.4	75.7	37.5	41.8
Sanford	**	**	**	**	**	**	**	**
Daytona Beach	$ 52.69	$ 49.97	$27.84	$25.94	72.6%	72.2%	95.0%	100.2%
Tampa Bay	$ 51.26	$ 50.71	$30.30	$30.14	71.9%	72.5%	80.9%	78.8%
North Tampa	$ 35.40	$ 37.09	$20.82	$25.87	66.2%	65.7%	77.0%	56.8%
Airport/Westshore	47.42	47.01	35.59	34.90	70.1	74.1	31.7	34.4
Downtown Tampa	**	**	**	**	**	**	**	**
East Tampa	35.92	36.87	34.77	32.90	76.2	74.2	32.0	39.1
St. Petersburg Beach/ Treasure Island	60.03	60.06	26.42	26.97	73.7	73.8	123.6	119.5
Clearwater Beach	67.55	64.90	33.84	32.42	78.8	75.5	99.6	100.2
Other Pinellas County	48.52	47.57	25.16	23.72	67.9	65.6	113.2	115.7
South Florida	$ 82.52	$ 80.06	$54.86	$52.82	70.9%	65.6%	58.4%	58.7%
Palm Beach	$134.94	$124.21	$82.20	$77.67	78.4%	78.8%	68.2%	63.5%
Broward	66.56	65.69	38.95	39.26	74.2	69.6	72.8	69.6
Miami Beach	90.44	85.57	61.51	55.53	66.7	60.5	64.0	67.4
Downtown Miami	55.73	57.51	36.54	37.29	65.1	57.5	53.2	54.6
Miami International Airport	58.78	57.29	44.83	42.96	72.3	63.4	34.4	36.4
C. Gables/C. Grove	73.56	64.45	49.89	45.16	64.1	61.5	39.3	39.2
Other	83.84	81.90	53.57	51.79	77.0	78.6	70.3	70.5
Sarasota/Bradenton	$ 80.35	$ 79.09	$50.15	$47.29	69.4%	68.4%	94.2%	90.6%
Highway	$ 44.75	$ 46.16	$20.80	$20.12	63.3%	63.1%	74.3%	75.9%
Beach/Convention	97.74	96.49	56.15	53.40	72.8	71.5	98.9	94.3

**Insufficient response.

Chart 2

The Florida Lodging Industry Dollar 1984


Where It Came From*
(55.2) 57.1 Guest Room Rentals
(24.9) 23.1 Food Sales
(10.5) 9.2 Beverage Sales
(4.4) 4.1 Minor Operated Departments
(2.4) 4.1 Rentals and Other Income
(2.8) 2.4 Telephone Sales
Where It Went*
(31.3) 27.8 Payroll and Related Expenses
(8.9) 9.9 Interest
(8.8) 8.2 Depreciation
(8.4) 7.8 Food Cost
(4.4) 7.5 Administrative and General
(14.0) 7.3 Departmental Expenses
(2.8) 7.2 Net Income Before Income Taxes
(6.6) 6.2 Rent, Municipal Taxes and Insurance
(4.9) 5.2 Marketing
(4.7) 5.0 Energy
(3.8) 5.7 Property Operation and Maintenance
(2.5) 2.1 Management Fees
(2.3) 2.1 Beverage Cost

*Based on the weighted mean.
1983 amounts (in parentheses); restated.

Profile of contributors

Exhibit 1 defines the typical contributor to this study based on various measures of central tendency, such as mean, median and mode. The typical contributor to this report was affiliated with a chain, had between 150 and 299 rooms and an average room rate between $50 and $64.99.

Exhibit 2 presents highlights of operating results from the 1984 Florida lodging industry compared with 1983. The median occupancy rate fell 1.5 percentage points from the 1983 rate, while the median average room rate rose $1.59 to $54.44.

Market data

The source and composition of the 1984 Florida lodging market is shown in Exhibit 3. Florida hotels registered a higher percentage of foreign guests in

Exhibit 1
General Profile of Typical Contributor Based on Various Measures of Central Tendency

Criteria	Category of Typical Contributor
Age	Built between 1972 and 1982
Size	150–299 rooms
Occupancy	59%–68%
Average Rate	$50–$59.99
Sales Volume	$3 million–$10 million
Restaurant Operation	Operated a restaurant in which the volume of food and beverage sales was less than 50% of room sales
Other Management Operation Results	Affiliated with a chain; reported net income before income tax in 1984

Exhibit 2
Highlights*

- Room occupancy declined from 65.6 percent in 1983 to 64.1 percent in 1984.
- The average room rate rose 9.3 percent to $57.76 in 1984 from $52.85 in 1983.
- Payroll and related expenses were 22.2% total cost as a ratio to total sales.
- Income before income tax increased from $364 per available room in 1983 to $541 per available room in 1984 or 3.3% of total sales.

*Based on medians.

Exhibit 3
Market Data*

	All Establishments	Location				
		Center City	Resort	Airport	Suburban	Highway
Source of Business						
Domestic	82.8%	**	81.8%	**	80.4%	**
Foreign	17.2	**	18.2	**	19.6	**
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of Repeat Business	44.6%	**	47.1%	**	43.8%	**
Composition of Market						
Government Officials	1.6%	**	0.3%	**	5.6%	**
Business travellers	27.9	**	10.3	**	58.0	**
Tourists	48.1	**	65.8	**	18.6	**
Conference Participants	17.5	**	20.4	**	9.4	**
Other	4.9	**	3.2	**	8.4	**
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of Advance Reservations	72.9%	**	74.9%	**	60.0%	**
Composition of Advance Reservations						
Direct	39.3%	**	36.1%	**	37.0%	**
Reservation Systems	25.5	**	21.2	**	37.0	**
Travel Agents & Tour Operators	22.5	**	22.5	**	22.0	**
Other	12.7	**	20.2	**	4.0	**
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Ratio of Travel Agent Commissions to Room Sales	1.3%	**	1.9%	**	1.2%	**

*Based on those supplying detail. All figures are means.
**Insufficient response.

Exhibit 4
Occupancy and Average Rate

	1984			1983		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Average Room Rate	$44.88	$57.76	$82.57	$44.53	$52.85	$68.89
Average Room Rate (Per Guest)	$37.11	$44.68	$55.16	$20.42	$40.16	$49.90
Occupancy	56.2%	64.1%	74.3%	57.0%	65.6%	74.2%
Double Occupancy	56.7%	71.1%	95.4%	41.7%	57.4%	74.3%
Productivity Index	2.53	3.13	3.90	2.69	3.13	3.90

Exhibit 5
Occupancy—By Selected Criteria*

	Percentage of Occupancy	Percentage of Double Occupancy	Average Room Rate
Size			
Under 150 Rooms	68.3%	84.4%	$57.37
150–299 Rooms	64.1	75.2	46.06
Over 300 Rooms	63.3	67.0	72.32
Location			
Center City	60.4%	**	$47.05
Airport	67.6	72.2	64.79
Suburban	**	**	**
Highway	70.0	39.1	44.59
Resort	**	**	**
All Establishments	64.1	71.1	57.76

*All figures are medians.
**Insufficient response.

1984 in comparison with the total United States, 17.2 percent compared with 9 percent for the United States. (United States figures are based on *U.S. Lodging Industry*—1985.) Tourists accounted for the majority of Florida's travelers—48.1 percent of the market—while business travelers and conference participants accounted for 27.9 percent and 17.5 percent respectively.

Most advance reservations, 39.3 percent, were made directly at the hotel. Second in popularity were reservations systems with 25.5 percent, followed by 22.5 percent of reservations made through travel agents and tour operators.

Occupancy and average rate

Exhibit 4 presents the occupancy and average rate for participating Florida properties by the lower quartile, median and upper quartile. The median average room rate increased 9.3 percent in 1984 to $57.76 from the 1983 median rate of $52.85. Additionally, the average room rate per guest also increased to $44.68 from $40.16 in 1983. While the double occupancy rate increased this year, the 1984 median standard occupancy rate of 64.1 percent was 2.3 percent lower than this rate was in 1983. The productivity index, which measures total sales per dollar of payroll and related expenses, remained constant in 1984 at 3.13.

Occupancy percentages broken down by property size and location are displayed in Exhibit 5. Properties with less than 150 rooms experienced the highest occupancy rate of 68.3 percent as well as the highest double occupancy rate of 84.4 percent. Although establishments with more than 300 rooms had the highest average room rate of $72.32, their occupancy rate was the lowest of the three size breakdowns. Looking at the various locations, highway properties had the highest median occupancy rate of 70 percent, followed by those located in the airport vicinity with a rate of 67.6 percent. However, it should be noted that airport establishments had a median double occupancy percentage and average room rate well above hotels located along highways.

Rooms department

Rooms department income and expenses, as median amounts per room and ratios to total sales, are illustrated in Exhibit 6. The median revenue per available room for participating properties in 1984 was $13,024, 0.8 percent below the 1983 figure of $13,124. Rooms department payroll and related expenses increased 11.8 percent from 1983's median of $2,045 to $2,285 for 1984. As a ratio to total sales, rooms department net revenue accounted for 61.5 percent of total sales; payroll and related expenses, 9.7 percent; and net department income 41.6 percent. Larger properties reported the highest net revenue as well as total departmental expenses.

Exhibit 7 displays rooms department income and expenses as ratios to room sales using medians and quartiles. For the most part, medians for the majority of revenue and expense items listed are similar to the levels reported in 1983 with minor exceptions.

Exhibit 6
Rooms Department Income and Expenses
Median Amounts Per Room and Ratios to Total Sales*

	All Establishments	Size		
		Under 150 Rooms	150–299 Rooms	Over 300 Rooms
Revenue				
Room Sales	$13,024	$11,112	$10,758	$14,108
Allowances	117	—	78	144
Net Revenue	$13,785	$15,024	$10,333	$15,627
Departmental Expenses				
Payroll & Related Expenses	2,285	1,767	1,847	2,864
Commissions	147	48	115	316
Contract Cleaning	50	70	24	53
Linen	151	108	152	156
Laundry & Dry Cleaning	154	33	154	249
Operating Supplies	248	200	226	320
Other Operating Expenses	149	113	125	198
Reservation Expense	155	147	142	184
Uniforms	30	10	17	45
Total Expense	$ 3,533	$ 2,993	$ 2,940	$ 4,771
Net Department Income	$ 8,964	$ 7,828	$ 7,767	$10,356
Ratio to Total Sales				
Net Revenue	61.5%	67.8%	73.6%	55.1%
Payroll & Related Expenses	9.7%	9.6%	14.6%	9.7%
Net Department Income	41.6%	51.2%	52.0%	40.6%

*All figures are medians and do not necessarily add to totals shown.

Exhibit 7
Rooms Department Income and Expenses
Ratios to Room Sales*

	Ratios to Room Sales		
	Lower Quartile	Median	Upper Quartile
Revenue			
Room Sales	100.0%	100.4%	100.8%
Allowances	0.5	0.8	1.5
Net Revenue	100.0%	100.0%	100.0%
Departmental Expenses			
Payroll & Related Expenses	15.0%	17.1%	19.7%
Commissions	0.7	1.3	2.1
Contract Cleaning	0.1	0.3	0.9
Linen	0.8	1.1	1.4
Laundry & Dry Cleaning	0.3	1.2	1.8
Operating Supplies	1.4	2.1	2.8
Other Operating Expenses	0.4	1.1	1.8
Reservation Expense	0.7	1.2	1.8
Uniforms	0.1	0.2	0.3
Total Expense	22.2%	25.5%	30.0%
Net Departmental Income	69.1%	73.4%	75.9%

*All figures are medians and do not necessarily add to totals shown.

Composition of sales

The composition of sales for selected breakdowns is shown in Exhibit 8. It is based on the arithmetic mean in order to establish absolute values. Similar to last year's results, the largest portion of revenue was derived from the rooms department, with food and beverage departmental sales being the second largest. This pattern of sales remains constant even when participating properties are analyzed by location. In comparison with last year's results, revenue from room sales increased 5.3 percent to 65.7 in 1984, while food and beverage sales revenue decreased.

Exhibit 8
Composition of Sales*

		Size			Location				
	All Establishments	Under 150 Rooms	150–299 Rooms	Over 300 Rooms	Center City	Resort	Airport	Suburban	Highway
Rooms	65.7%	68.9%	70.8%	58.9%	65.1%	64.1%	**	69.5%	**
Food	18.8	18.6	14.5	23.0	21.0	19.5	**	15.0	**
Beverage	7.1	6.4	5.5	9.0	5.1	7.2	**	9.0	**
Telephone	2.6	2.1	2.9	2.6	4.2	2.0	**	5.4	**
Minor Operated Departments	2.8	3.0	2.0	3.4	3.3	3.2	**	0.4	**
Rentals & Other Income	3.0	1.0	4.3	3.1	1.3	4.0	**	0.7	**
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*Based on arithmetic mean.
**Insufficient response.

Food and beverage department

A detailed study of the food and beverage department is presented in Exhibits 9 and 10. A two-year comparison of the various ratios to food and beverage sales for selected groups is shown in Exhibit 9. Exhibit 10 details the sales per room and per seat, average receipt per guest, as well as some additional measurements. In comparison with 1983 statistics, food sales increased 2.3 percent to 72.5 percent, while beverage sales decreased 5.7 percent in 1984 to 28.2 percent. The cost of food sold declined during 1984 to 25.6 percent of total food and beverage sales; the cost of beverages sold also declined. For all properties reporting in 1984, only three types of departmental expenses increased—payroll and related expenses, uniforms and the all other expenses category. Of the remaining categories, licenses, operating supplies and other operating expenses were unchanged from

Exhibit 9
Restaurant Operations—By Selected Criteria*

	Median Ratios to Total Food and Beverage Sales	
	1984	1983
Sales		
Food	72.5%	70.9%
Beverage	28.2	29.9
Total	100.0%	100.0%
Cost of Sales		
Cost of Food Consumed	27.5%	38.5%
Less Cost of Employees' Meals	3.1	3.3
Cost of Food Sold	25.6	34.9
Cost of Beverages Sold	6.6	21.8
Total Cost of Sales	32.0%	31.2%
Gross Profit	68.7%	68.8%
Public Room Sales	0.9%	1.2%
Other Income	1.6%	0.9%
Total	70.1%	70.2%
Departmental Expenses		
Payroll & Related Expenses	41.6%	37.6%
China, Glassware, Silver & Linen	1.4	1.7
Contract Cleaning	0.3	0.5
Kitchen Fuel	0.2	0.8
Laundry & Dry Cleaning	0.7	0.9
Licenses	0.2	0.2
Music & Entertainment	2.5	2.7
Operating Supplies	2.6	2.6
Other Operating Expenses	1.2	1.2
Uniforms	0.5	0.4
All Other Expenses	2.5	1.9
Total	52.3%	50.4%
Departmental Income	21.8%	20.2%
Productivity Index	2.41	2.66

*All figures are medians and do not necessarily add to totals shown.

Exhibit 10
Food and Beverage Statistics—By Selected Criteria*

	All Establishments	Size: Under 150 Rooms	Size: 150–299 Rooms	Size: Over 300 Rooms
Food Sales—By Facility				
Amount Per Available Room				
Dining Room	$3,368	$3,258	$1,674	$4,006
Room Service	631	**	378	671
Banquet	2,481	2,481	756	3,011
Bar/Lounge	131	**	122	137
Total	$6,027	$5,139	$2,540	$8,146
Ratio to Total Food Sales				
Dining Room	58.7%	100.0%	70.0%	49.5%
Room Service	8.0	**	7.9	8.2
Banquet	36.2	36.2	27.9	38.8
Bar/Lounge	1.7	**	2.8	1.6
Amount Per Seat				
Dining Room	$3,618	**	$3,146	$4,331
Banquet	689	**	601	**
Bar/Lounge	54	**	54	**
Total	$1,645	**	$1,267	$3,041
Average Check				
Dining Room	$ 7.02	**	$ 7.52	$ 6.72
Room Service	7.04	**	5.69	7.24
Banquet	13.27	**	10.31	16.04
Total	$ 8.13	**	$ 7.92	$ 8.96
Covers Served Per Seat				
Dining Room	546	**	541	614
Banquet	67	**	73	**
Room Service Sales				
Per Occupied Room				
Food	$ 2.46	**	$ 1.63	$ 3.00
Beverage	.96	**	.34	.96
Total	$ 2.16	**	$ 1.64	$ 3.73
Per Guest				
Food	$ 1.36	**	$ .83	$ 1.40
Beverage	.30	**	.19	.59
Total	$ 1.63	**	$ .95	$ 1.83

*All figures are medians and do not necessarily add to totals shown.
**Insufficient response.

(continued on next page)

the previous year. While few of these expenses actually increased, the total share of all expenses (to total food and beverage operations) increased 3.8 percent in 1984 to 52.3 percent from 50.4 percent in 1983. Additionally, departmental income increased from 20.2 percent in 1983 to 21.8 percent for 1984, representing a 7.9 percent increase. The food and beverage productivity index decreased in 1984 to 2.41 percent.

Exhibit 10 presents an extensive analysis of the key performance measures relating to the food and beverage departments. For example, dining room sales per available room accounted for $3,368, and banquets sales for $2,481, of total food sales per available room. As a ratio to total food sales these amount to 58.7 percent and 36.2 percent respectively. These statistics also are presented as sales per seat, average check and covers per seat for all establishments by size. This information can be useful in determining the levels of food and beverage operations conducted by properties of different sizes.

Exhibit 10 (continued)
Food and Beverage Statistics—By Selected Criteria*

	All Establishments	Size: Under 150 Rooms	Size: 150–299 Rooms	Size: Over 300 Rooms
Beverage Sales—By Facility				
Amount Per Available Room				
Dining Room	$ 587	**	$ 402	$ 707
Room Service	260	**	75	262
Banquet	583	**	101	806
Bar/Lounge	1,992	**	910	1,273
Total	$2,994	$1,888	$1,226	$3,284
Ratio to Beverage Sales				
Dining Room	27.5%	**	19.3%	27.7%
Room Service	6.4	**	4.1	6.4
Banquet	22.6	**	15.7	23.5
Bar/Lounge	57.5	**	58.2	48.1
Ratio to Food Sales				
Dining Room	18.5%	**	17.6%	18.6%
Room Service	39.3	**	18.5	39.3
Banquet	23.7	**	22.2	25.1
Total (Including Bar/Lounge)	38.8%	27.4%	44.9%	38.4%
Amount Per Seat				
Dining Room	$ 524	**	$ 362	$ 619
Banquet	146	**	107	267
Bar/Lounge	2,660	**	2,323	2,660
Total	$ 908	**	$ 575	$1,585

*All figures are medians and do not necessarily add to totals shown.
**Insufficient response.

Exhibit 11
Minor Operated Departments and Other Income
Median Amounts Per Room and Ratios to Sales*

	All Establishments	Size		
		Under 150 Rooms	150–299 Rooms	Over 300 Rooms
Telephone				
Sales	$552	$ 308	$474	$698
Cost of Sales				
Cost of Calls	$397	$ 397	$338	$465
Equipment Rental	158	**	106	274
Total	$500	$ 417	$392	$658
Payroll & Related Expenses	$158	$ 160	$162	$156
All Other Expenses	$ 21	**	$ 26	$ 9
Total Costs & Expenses	$633	$ 438	$401	$857
Net Departmental Income or (Loss)	$(54)	$ (53)	$(26)	$(59)
Ratio to Total Sales				
Sales	2.3%	1.7%	3.0%	2.0%
Cost of Sales	2.5	1.9	2.6	2.1
Payroll & Related Expenses	0.5	0.7	0.7	0.5
Minor Operated Departments				
Sales	$705	$1,559	$318	$841
Cost of Sales	128	586	102	132
Payroll & Related Expenses	304	44	280	423
Other Expenses	69	504	107	46
Total Costs & Expenses	$361	$1,315	$155	$475
Net Departmental Income	$ 39	$ 244	$ 14	$ 56
Ratio to Total Sales				
Sales	2.4%	8.3%	1.4%	2.6%
Cost of Sales	0.7	2.8	0.9	0.4
Payroll & Related Expenses	1.1	0.2	1.2	1.1
Rentals & Other Income				
Space Rentals	$ 81	$ 63	$ 57	$131
Concessions	57	130	57	49
Commissions	89	36	75	111
Other	109	65	90	192
Total Rentals & Other Income	$265	$ 128	$160	$426
Ratio to Total Sales	1.5%	1.2%	1.5%	1.6%

*Based on those supplying detail. All figures are medians and do not necessarily add to totals shown.
**Insufficient response.

Minor operated departments

Information on minor operated departments and other income, expressed as median amounts per room and ratios to sales, is presented in Exhibit 11. This exhibit indicates that Florida properties have been slow to institute profit-making procedures in the telephone department, since there was a loss in the median net departmental income for all establishments this year. In the rentals and other income category, larger properties seem to have been more productive than smaller ones.

Staffing levels and employee productivity

Exhibit 12 illustrates the staffing levels and employee productivity for all establishments per 100 available rooms, per 100 occupied rooms and sales per employee. This analysis is based on the average number of persons reported by participating properties and is intended as a departmental staffing guideline. With respect to 1983 reported statistics, the median amount of full-time equivalent employees per 100 available rooms declined 4.3 percent in 1984 to 59.7 persons. Additionally, median total sales per employee increased 12.5 percent this year to $37,821 from the 1983 total of $33,614, perhaps as a result of the decline in full-time equivalent employees.

Exhibit 12
Staffing Levels and Employee Productivity—All Establishments*

	Number of Employees Per 100 Available Rooms			Number of Employees Per 100 Occupied Rooms		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Staffing Levels (Full-Time Equivalent Employees)						
Rooms	15.1	18.7	23.4	24.8	29.6	39.1
Food & Beverage	14.1	27.9	40.1	27.4	45.0	69.0
Telephone	0.7	1.2	2.1	1.2	1.9	3.2
Minor Operated Departments	0.9	2.7	4.8	1.2	4.5	7.1
Administrative & General	2.3	3.9	6.4	3.3	6.8	10.5
Marketing—Sales	1.3	1.7	2.7	1.6	3.3	4.3
Marketing—Other	**	**	**	**	**	**
Property Operation & Maintenance	2.0	2.9	4.7	3.9	4.9	7.6
Personnel	0.3	0.3	0.9	0.5	0.6	1.4
House Laundry	1.4	1.9	3.4	2.6	3.4	5.0
Other	2.1	2.2	2.7	4.0	4.1	4.4
Total Employment—Full-Time Equivalent Employees	43.9	59.7	95.9	75.4	102.8	141.6
Employee Productivity—Sales Per Full-Time Employee						
Rooms	$51,957	$68,697	$ 98,347			
Food & Beverage	22,103	31,663	44,005			
Telephone	36,751	75,958	102,928			
Minor Departments	11,774	33,597	143,760			
Total Sales Per Employee*	$29,918	$37,821	$ 48,566			

*Based on those supplying detail. All figures are medians or quartiles and do not necessarily add to totals shown.
**Insufficient response.

Exhibit 13
Payroll and Related Expenses—Ratio to Room Sales*

	All Establishments	Size		
		Under 150 Rooms	150–299 Rooms	300–600 Rooms
Rooms	13.3%	9.0%	15.1%	12.6%
Food & Beverage	18.9	24.1	18.8	18.8
Telephone	0.8	**	0.8	0.8
Minor Operated Departments	1.6	**	1.4	1.8
Administrative & General	6.5	5.6	5.7	6.9
Marketing	2.8	1.6	2.7	2.9
Property Operation & Maintenance	3.7	3.6	4.2	3.1
House Laundry	1.2	**	1.4	1.1
Total Cost as a Ratio to Room Sales	45.7%	46.5%	41.0%	49.7%

*All figures are medians or quartiles and do not necessarily add to totals shown.
**Insufficient response.

Exhibit 14
Payroll and Related Expenses—Ratio to Total Sales*

	Lower Quartile	Median	Upper Quartile
Rooms	6.5%	8.0%	10.6%
Food & Beverage	7.9	10.7	13.3
Telephone	0.3	0.4	0.5
Minor Operated Departments	0.4	0.8	2.0
Administrative & General	2.7	3.9	4.4
Marketing	0.9	1.5	1.8
Property Operation & Maintenance	1.6	2.2	3.0
House Laundry	0.6	0.8	1.1
Total Cost as a Ratio to Total Sales	22.2%	26.5%	30.6%

*All figures are medians or quartiles and do not necessarily add to totals shown.

Payroll and related expenses

Departmental payroll and related expenses as a ratio to room sales are analyzed in Exhibit 13. For all reporting establishments, food and beverage payroll was 18.9 percent of room sales, while rooms payroll and related expenses accounted for 13.3 percent. For all departments combined, total cost as a ratio to room sales total cost as a ratio to room sales totaled 45.7 percent.

Exhibit 14 presents departmental payroll and related expenses as a ratio to total sales. The median total cost as a ratio to total sales was 26.5 percent. This was composed of food and beverage payroll, which accounted for 10.7 percent; rooms department, 8 percent; administrative and general, 3.9 percent, and other departments categorized in this exhibit.

Undistributed operating expenses

An analysis of the undistributed operating expenses characterized by amounts per room, ratios to room sales and ratios to total sales is shown in Exhibit 15. In comparison with the 1983 results, administrative and general total expenses increased 10.8 percent to $2,378, while marketing and energy costs also increased. Property operation and maintenance deviated from this pattern as the total expenses went from $1,202 in 1983 to $1,169 in 1984, representing a 2.7 percent decrease. These totals and percentages are also broken down by property size and the location of the property.

Energy expenses as amounts per available room and costs per occupied room per day are presented in detail in Exhibit 16. Electricity was responsible for the majority of the total energy expenses per

Exhibit 15
Analysis of Undistributed Operating Expenses—By Selected Criteria*

		Size			Location				
	All Establishments	Under 150 Rooms	150–299	Over 300 Rooms	Center City	Resort	Airport	Suburban	Highway
Administrative & General									
Cost Per Room									
Payroll & Related Expenses	$1,078	$ 629	$ 716	$1,256	$ 337	$1,174	**	$ 803	**
Other	1,262	1,352	891	1,590	1,293	1,590	**	1,069	**
Total	$2,378	$2,355	$1,507	$2,860	$2,177	$3,035	**	$2,136	**
Ratio to Room Sales	16.8%	15.4%	14.9%	19.2%	19.3%	17.3%	**	19.1%	**
Ratio to Total Sales	10.2%	10.7%	10.0%	10.2%	9.6%	10.5%	**	15.0%	**
Marketing									
Cost Per Room									
Payroll & Related Expenses	$ 538	$ 195	$ 324	$ 613	**	$ 695	**	$ 313	**
Other	929	396	656	1,532	776	1,183	**	576	**
Total	$1,260	$ 399	$ 795	$2,039	$1,026	$1,399	**	$ 848	**
Ratio to Room Sales	8.6%	3.6%	8.1%	11.6%	8.3%	9.0%	**	8.4%	**
Ratio to Total Sales	5.8%	2.2%	5.7%	6.5%	4.3%	5.7%	**	5.7%	**
Energy Costs									
Cost Per Room	$1,231	$1,314	$1,030	$1,404	$1,358	$1,229	**	$1,001	**
Ratio to Room Sales	9.0%	9.3%	9.7%	8.7%	11.6%	8.7%	**	10.3%	**
Ratio to Total Sales	6.4%	6.9%	6.7%	4.9%	6.6%	5.7%	**	7.0%	**
Property Operation & Maintenance									
Cost Per Room									
Payroll	$ 615	$ 531	$ 487	$ 758	$ 328	$ 769	**	$ 424	**
Other	724	995	644	794	803	814	**	503	**
Total	$1,169	$1,288	$1,017	$1,625	$ 967	$1,543	**	$ 943	**
Ratio to Room Sales	9.6%	10.4%	9.9%	9.1%	9.4%	10.4%	**	7.8%	**
Ratio to Total Sales	5.9%	6.8%	6.5%	5.1%	5.7%	6.2%	**	5.7%	**

*All figures are medians.
**Insufficient response.

room of $925, while fuel costs were $167 and water costs, $136. The total energy expenses as an amount per available room increased 8 percent in 1984 to $1,231. Based on the total cost per occupied room per day, there was a 9.1 percent increase from the 1983 figure to this year's median of $5.25.

Fixed charges

Exhibit 17 displays fixed charges per available room and ratios to total sales by selected criteria for all participating properties this year. Median total fixed expenses for 1984 were $5,347 per room, or 28.4 percent of total sales. This represents a substantial increase from last year's costs. On the whole, the categories of interest expense, depreciation and amortization generated the highest expenses with costs of $2,746 and $2,045 respectively. Properties with more than 300 rooms incurred fixed charges exceeding those of the smaller properties.

Exhibit 16
Energy Expenses—Amounts Per Available Room and Costs Per Occupied Room Per Day*

	Amounts Per Available Room			Cost Per Occupied Room Per Day		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Electricity	$641	$ 925	$1,256	$2.66	$3.87	$5.73
Fuel	100	167	215	.42	.67	.94
Steam	**	**	**	**	**	**
Water	104	136	209	.42	.66	.96
Total Energy Expenses	$899	$1,231	$1,675	$3.96	$5.25	$7.84
Total United States	$908	$1,150	$1,495	$3.66	$4.85	$6.58

*Based on those hotels supplying detail. All figures are medians and quartiles and do not necessarily add to totals shown.
**Insufficient response.

Exhibit 17
Fixed Charges—Median Amounts Per Room and Ratio to Total Sales—By Selected Criteria*

		Size			Location				
	All Establishments	Under 150 Rooms	150–299 Rooms	Over 300 Rooms	Center City	Resort	Airport	Suburban	Highway
Amount Per Room									
Rent	$ 333	$1,108	$ 211	$ 358	**	$ 741	**	$ 66	**
Property Taxes	509	542	461	949	**	489	**	822	**
Property Insurance	98	211	233	57	**	99	**	76	**
Interest Expense	2,746	2,250	2,937	4,297	**	2,236	**	**	**
Depreciation & Amortization	2,045	2,488	884	2,389	**	2,262	**	1,748	**
Total Fixed Charges	$5,347	$5,632	$4,506	$7,206	**	$6,504	**	$1,917	**
Ratio to Total Sales	28.4%	30.1%	35.2%	24.9%	**	30.1%	**	20.9%	**

*Based on those supplying detail. All figures are medians.
**Insufficient response

Balance sheet ratios

A year-to-year comparison of liquidity ratios and other frequently used balance sheet ratios is presented in Exhibit 18. The current position, which is defined as current assets divided by current liabilities, rose substantially this year. Beverage inventory as an amount per available room increased more than 50 percent, while food inventory and accounts receivable amounts per room both decreased in 1984.

Summary

Exhibits 19 and 20 depict summary income and expense statements as amounts per available room and ratios to total sales by size and location. Included are management fees, significant categories in the rooms and food and beverage departments, and administrative and general expenses. This information, in conjunction with the other exhibits, should be particularly useful for Florida lodging operators.

Exhibit 18
Balance Sheet Ratios—1984 Compared With 1983*

	1984	1983
Current Position	$ 3.03	$ 0.80
Accounts Receivable		
Amount Per Room	$1,208	$1,393
Ratio to Total Sales	4.8%	4.4%
Food Inventory		
Amount Per Room	82	88
Annual Turnover	27	26
Beverage Inventory		
Amount Per Room	110	68
Annual Turnover	6	6

*All figures are medians. Accounts receivable and inventory figures are for end of year.

Exhibit 19
Summary Statement of Income and Expenses
Amounts Per Available Room

	All Establishments	Size			Location				
		Under 150 Rooms	150–299 Rooms	Over 300 Rooms	Center City	Resort	Airport	Suburban	Highway
Rooms									
Net Revenue	$13,785	$15,024	$10,333	$15,627	$11,255	$15,503	**	$10,597	**
Departmental Expenses									
Payroll & Related Expenses	2,285	1,767	1,847	2,864	1,449	2,414	**	2,255	**
Other	1,330	928	924	1,699	1,055	1,503	**	767	**
Total	3,533	2,993	2,940	4,771	2,774	3,861	**	2,943	**
Departmental Income	8,964	7,828	7,767	10,356	8,156	10,943	**	6,873	**
Food & Beverage Sales									
Food	6,027	5,139	2,540	8,146	6,027	7,793	**	2,838	**
Beverage	2,994	1,888	1,226	3,284	**	3,101	**	1,277	**
Total	7,842	7,477	2,917	12,327	9,446	11,150	**	4,459	**
Cost of Sales									
Food	2,395	2,494	1,110	2,707	2,567	2,666	**	1,006	**
Beverage	597	544	296	704	**	655	**	373	**
Total	2,898	3,004	1,319	3,391	3,111	3,196	**	1,589	**
Gross Profit	5,379	4,591	2,334	8,723	6,448	8,105	**	2,870	**
Public Room Sales	67	3	74	73	**	49	**	96	**
Other Income	153	28	65	208	**	153	**	123	**
Gross Profit & Other Income	5,441	4,866	2,355	9,087	7,120	8,191	**	3,060	**
Departmental Expenses									
Payroll & Related Expenses	3,203	2,295	1,467	4,629	2,429	4,448	**	2,331	**
Other	1,232	1,063	454	1,413	1,194	1,816	**	832	**
Total	4,260	3,136	1,848	6,320	5,762	5,936	**	3,163	**
Departmental Income	1,946	1,647	851	2,698	1,358	2,707	**	384	**
Minor Operated Departments & Other Income (Net)	39	244	14	56	150	104	**	**	**
Telephone Departmental Income	(54)	(53)	(26)	(59)	164	(135)	**	6	**
Rentals & Other Income	265	128	160	426	187	381	**	90	**
Gross Income	10,595	8,820	7,980	13,177	10,407	14,928	**	7,396	**
Undistributed Operating Expenses									
Administrative & General Expenses									
Payroll & Related Expenses	1,078	629	716	1,256	337	1,174	**	803	**
Other	1,262	1,352	891	1,590	1,293	1,590	**	1,069	**
Total	2,378	2,355	1,507	2,860	2,177	3,035	**	2,136	**
Marketing	1,260	399	795	2,039	1,026	1,399	**	848	**
Energy Costs	1,231	1,314	1,030	1,404	1,358	1,229	**	1,001	**
Property Operation & Maintenance	1,169	1,288	1,017	1,625	967	1,543	**	943	**
Total Undistributed Expenses	5,912	4,861	5,034	8,247	5,637	7,652	**	5,723	**
Income Before Management Fees	4,372	4,670	3,330	5,332	4,453	3,511	**	1,920	**
Management Fees	755	795	636	775	**	784	**	677	**
Income Before Fixed Charges	3,637	3,539	2,840	4,818	4,424	3,129	**	876	**
Total Fixed Charges	5,347	5,632	4,506	7,206	345	6,504	**	1,917	**
Income Before Income Tax	$ 541	$ 1,566	$ 327	$ 1,061	$ 1,415	$ 1,042	**	$ 420	**

*All amounts are medians and do not necessarily add to totals shown. All ratios are based on total sales except those of the rooms and food and beverage departments. Cost of sales is shown as a percentage of the corresponding sales. Food and beverage departmental expense ratios are based on the combined food and beverage sales.
**Insufficient response.

Exhibit 20

Summary Statement of Income and Expenses
Ratios to Total Sales*

		Size			Location				
	All Establishment	Under 150 Rooms	150–299 Rooms	Over 300 Rooms	Center City	Resort	Airport	Suburban	Highway
Rooms									
Net Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%
Departmental Expenses									
Payroll & Related Expenses	17.1	15.0	18.2	16.9	19.1	16.7	**	21.6	**
Other	9.1	7.2	8.8	10.2	9.7	9.1	**	7.0	**
Total	25.5	21.1	27.9	25.6	26.9	25.3	**	29.4	**
Departmental Income	73.4	76.6	72.0	74.2	73.1	74.5	**	70.7	**
Food & Beverage Sales									
Food	72.5	78.7	69.5	72.3	76.2	74.7	**	67.9	**
Beverage	28.2	21.5	31.2	27.7	**	27.6	**	32.1	**
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cost of Sales									
Food	35.6	37.8	37.2	33.0	33.6	34.6	**	37.7	**
Beverage	22.3	27.0	23.8	21.4	**	22.3	**	21.0	**
Total	32.0	35.0	33.2	29.5	33.6	29.9	**	31.7	**
Gross Profit	68.7	66.2	67.4	70.7	68.8	70.1	**	68.4	**
Public Room Sales	0.9	N	1.1	0.6	**	0.6	**	2.7	**
Other Income	1.6	0.3	1.3	1.8	**	1.4	**	1.6	**
Gross Profit & Other Income	70.1	67.4	68.8	71.6	74.6	70.8	**	69.1	**
Departmental Expenses									
Payroll & Related Expenses	41.6	43.9	41.8	39.8	31.4	41.6	**	45.1	**
Other	13.4	13.4	12.4	16.5	12.5	19.5	**	13.5	**
Total	52.3	51.2	54.4	51.3	57.3	55.8	**	56.6	**
Departmental Income	21.8	26.1	18.4	23.6	18.7	37.8	**	12.5	**
Minor Operated Departments & Other Income (Net)	0.3	1.3	0.1	0.3	0.5	0.4	**	**	**
Telephone Departmental Income	(0.2)	(0.2)	N	(0.2)	0.6	(0.5)	**	0.1	**
Rentals & Other Income	1.5	1.2	1.5	1.6	1.1	1.9	**	0.5	**
Gross Income	53.3	56.6	53.7	49.2	48.2	53.0	**	55.9	**
Undistributed Operating Expenses									
Administration & General Expenses									
Payroll & Related Expenses	4.9	5.3	5.2	4.6	1.8	4.9	**	5.4	**
Other	6.0	7.1	5.4	4.8	5.7	6.7	**	9.0	**
Total	10.2	10.7	10.0	10.2	9.6	10.5	**	15.0	**
Marketing	5.8	2.2	5.7	6.5	4.3	5.7	**	5.7	**
Energy Costs	6.4	6.9	6.7	4.9	6.6	5.7	**	7.0	**
Property Operation & Maintenance	5.9	6.8	6.5	5.1	5.7	6.2	**	5.7	**
Total Undistributed Expenses	30.1	26.2	30.3	29.9	24.7	30.3	**	33.4	**
Income Before Management Fees	20.1	20.1	20.9	18.0	23.4	15.4	**	18.2	**
Management Fees	3.1	3.4	3.9	2.9	**	3.3	**	3.7	**
Income Before Fixed Charges	17.9	18.9	18.1	16.8	21.9	13.8	**	6.3	**
Total Fixed Charges	28.4	30.1	35.2	24.9	1.3	30.1	**	20.9	**
Income Before Income Tax	3.3%	4.0%	2.4%	4.1%	4.8%	5.0%	**	4.6%	**

*All amounts are medians and do not necessarily add to totals shown. All ratios are based on total sales except those of the rooms and food and beverage departments. Cost of sales is shown as a percentage of the corresponding sales. Food and beverage departmental expense ratios are based on the combined food and beverage sales.
**Insufficient response.
N—Negligible.

BASES AND SIGNIFICANCE OF LODGING STATISTICS

Number of Rooms

The number of rooms used in several computations is the total number of rooms available for guest rental during the year. All rooms used for management, employees and storerooms are not included in these totals.

Room Occupancy

The percentage of room occupancy is computed by dividing the total number of rooms occupied by the total number of rooms available for occupancy throughout the year. Seasonal fluctuations are thus removed, allowing properties in various locations to be compared for the same period. Seasonal variations can be seen when analyzed on a monthly basis, such as in the *National Trend of Business in the Lodging Industry.*

Average Room Rate

The average room rate is computed by dividing rooms revenue, net of all allowances, by the total number of rooms occupied. Affecting this rate is the percentage of double occupancy associated with each property. Double occupancy is the percentage of rented rooms occupied by two or more persons. As the double occupancy increases, the room rate also should rise, since lodging facilities customarily charge a fee for each additional person occupying the guest room.

Comparison of Operating Results

Due to the current uncertainties surrounding financing methods, operators of lodging establishments may lease all or part of their assets. Because of high construction and interest costs, many operators have turned to creative financing techniques. Fixed costs may differ significantly for operators who lease their assets compared with those who own theirs. It is difficult to compare those operations with high depreciation and interest charges with those that are not required to pay any of those fees. To alleviate any possible difficulties in comparison, it is recommended that the reader analyze results before fixed charges are deducted.

Means, Medians and Quartiles

Most of the figures in this lodging survey are given as medians and quartiles rather than means. The median and upper and lower quartiles are calculated by first arraying all the numbers in the order of the lowest to the highest figure. The number that falls in the middle of the list is the median. The figure halfway between the lowest number and the median is the lower quartile, while the figure halfway between the median and the highest number is the upper quartile. To arrive at an arithmetic mean, divide the sum of the values by the number of items used. Table 1 illustrates the difference between the two.

The inclusion of a unit with high sales per occupied room may bring about a mean that is not as representative of the group as the median.

Productivity Index

The productivity index measures employee productivity in terms of the total revenue received for each dollar spent on payroll expenses. It is computed by dividing total revenue by total payroll and related expenses.

Inventory Turnover

Gross cost before deducting employees' meals divided by the average of the opening and ending inventories.

Table 1

	Room Sales	Occupied Rooms	Room Sales Per Occupied Room
Hotel A	$ 800,000	42,600	$ 18.78
Hotel B	1,200,000	56,550	21.22
Hotel C	1,450,000	58,750	24.68
Hotel D	1,875,000	61,725	30.38
Hotel E	2,225,000	66,500	33.46
Total	$7,550,000	286,125	$128.52
Median			$ 24.68
Mean	($128.52/5)		$ 25.70

UNDERSTANDING MEDIANS

Throughout the year the Research & Development Division at Laventhol & Horwath receives many phone calls requesting explanations on various information contained in this study. "What is a median?" and "Why don't these amounts add to the total?" are probably the two most frequently asked questions. Hopefully, this article will shed some light on these confusing issues.

A median is defined as the middle value of all amounts calculated for a specific line item. For example, if we received nine responses for number of full-time employees—8,4,2,6,9,7,5,1,3, these numbers would be arranged sequentially 1,2,3,4,5,6,7,8,9 and the middle value '5' would be the median since 50 percent of the responses received are below the value and 50 percent are above.

In some exhibits the responses are also broken into quartiles, or four equal parts, with the median still being the middle value. The lower quartile is the value that separates the lowest 25 percent of the responses from the rest of the sample when arranged sequentially, while the upper quartile defines the boundaries of the upper 25 percent of the responses from the lower 75 percent. Stated another way, 50 percent of all responses fall between the lower and upper quartiles. For example, if we receive 99 responses for a specific item and the responses (conveniently) were numbered 1 thru 99, the median, or middle value, would be 50, the lower quartile would be 25 (25 percent of the responses would be below 25), and the upper quartile would be 75 (25 percent of the responses would be above 75.) Fifty percent (or half) of the responses would fall between the lower and upper quartiles (see chart below.)

Now an attempt will be made to answer the question "Why don't the amounts add to the totals?"

The most important thing to remember is that each line item is analyzed separately! In the accompanying table, when all amounts are arranged sequentially, the median total sales figure for hotel operations is equal to 100 percent. This figure is based on all the properties that make up the population. The median ratio of food sales to food and beverage sales was 72.5 percent and the ratio of beverage sales to food and beverage sales was 28.2 percent. These two items were analyzed on samples of 425 and 365* hotels, respectively. Different sample sizes indicate that it is very likely that the respective medians come from different hotels. This also holds true for lower and upper quartile figures.

Example 1 (From Exhibit 9)
Restaurant Operations Ratios to Total Food and Beverage Sales

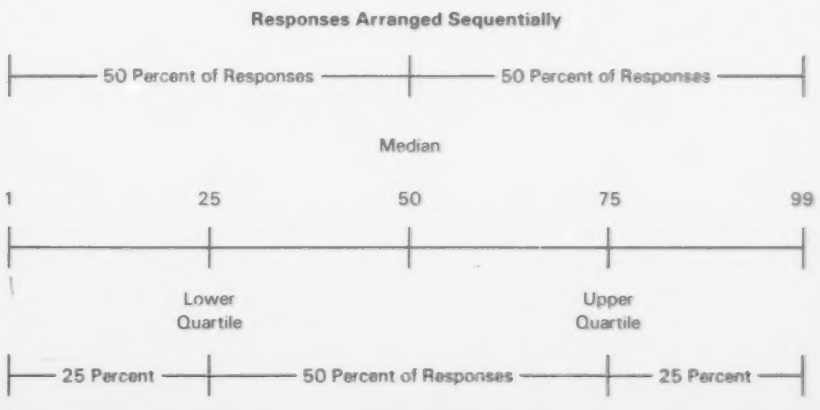
Sales	All Establishments
Food	72.5%
Beverage	28.2%
Total	100.0%

One important fact to remember when comparing a hotel with those reported in this study is that it is not constructive to compare a whole column to your hotel's results (the median column, for example).

If your hotel has roughly the same total sales as the median reported it may not be correct to follow through using median amounts for costs and expenses. Since each line is analyzed separately, one property may be close to the median in sales, but may have much higher or lower costs and expenses. There are certain factors such as type of hotel, menu-theme and location that may predetermine the costs and expenses and will automatically make a figure higher or lower than the median.

The proper way to compare your hotel's results with those reported in this study is to first complete the worksheet provided in the back of this study. Then compare industry figures to your figures, line by line. Large variances may identify an area in an operation that requires closer analysis.

**The numbers used for sample sizes are representative and are not actual sample sizes.*



EXPLANATION OF TERMS

Room Sales

Guest room revenue from accommodations on a part-day, full-day or longer period basis, net of any rebates and discounts.

Rentals and Other Income

Rental income from stores, offices, clubs and other spaces not classified as concessions used for business purposes. Also includes revenue from concessions, income from vending machine operations, commissions (including pay stations) and interest earned.

Restaurant

Cost (Food)—Cost of food sold, after deduction of the cost of employees' meals.

Cost (Beverage)—Cost of beverages sold, after deduction of the cost of employees' beverages.

Payroll—Stewards, chefs, cooks, waitress and busboys, dishwashers, butchers, vegetable cleaners, bakers, pantry help, etc.; wine stewards and bartenders; stock clerks, storekeepers, cost clerks, checkers and cashiers.

Income, Departmental—Total restaurant sales and other restaurant income less total cost of food and beverages consumed, payroll and related expenses and other direct restaurant expenses.

Sales, Total Restaurant (Food and Beverage)—Gross sales of food and beverages less allowances. Cover charges and other miscellaneous restaurant income are not included.

Management Fees

Fees charged by a management organization for management service or supervision should be charged to this account.

Income Before Fixed Charges

For purposes of this study, income before fixed charges is defined as total departmental revenue from all sources (rooms, telephone, food and beverage department income, minor operated departments income, store rentals and other income) less all departmental and undistributed operating expenses. This is the income from all operations before deducting rent, property taxes, property insurance, interest, depreciation and income taxes.

Further explanation may be found in *Uniform System of Accounts for Hotels.*

ANALYZE YOUR OPERATION

Periodic analysis of the financial performance of your lodging establishment may provide early warning signs of potential problems. Examination on a regular basis could reveal undesirable trends and provide the opportunity for corrective action. The worksheet on the next page is designed to provide a quick analysis of key items to reveal problem areas.

Follow these simple instructions for completing the worksheet:

1. Enter your figures in the first column.

2. Select the appropriate medians for comparison from the tables or text.

3. If the variance is greater than plus or minus 10 percent, further analysis should be made to determine the reason for that variance.

Worksheet

Amount Per Available Room	Your Figures	Medians or Quartiles From *Florida Lodging Industry* Report		
Revenue Rooms	$			
Telephone	$			
Rentals and Other Income	$			
Total	$			
Payroll and Related Expenses	$			
Departmental Expenses Rooms	$			
Telephone	$			
Total	$			
Undistributed Expenses (Excluding Payroll) Administrative & General	$			
Marketing	$			
Energy Costs	$			
Property Operation & Maintenance	$			
Total	$			
Income Before Fixed Charges	$			
Fixed Charges	$			
Rent	$			
Property Taxes	$			
Insurance	$			
Interest	$			
Depreciation	$			
Total	$			
Net Income Before Income Tax	$			

Supplemental Operating Information

General Statistics				
Occupancy	%	%	%	%
Average Rate Per Occupied Room	$	$	$	$
Income Before Fixed Charges				
Ratio to Total Sales	%	%	%	%
Productivity Index	times	times	times	times

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612-332-5500

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Kansas City, MO 64105
816-221-6500
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Ten Broadway, Suite 1000
St. Louis, MO 63102
314-421-1710

Nevada
Valley Bank Center, 7th Floor
101 Convention Center Dr.
Las Vegas, NV 89109
702-737-5533

New Jersey
Turnpike Plaza Bldg.
197 Highway 18
East Brunswick, NJ 08816
201-257-6000

New York
445 Broad Hollow Rd.
Melville, L.I., NY 11747
516-694-0530

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New York, NY 10022
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Charlotte, NC 28280
704-377-0220

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Princeton, NJ 08540
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Valuation Counselors Central, Inc.
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